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ABSTRACT

This document examines recent developments in strategic planning for employment, identifies key elements of strategic plans, examines issues to be addressed in implementing such plans, examines New Jersey's state plan in detail, and provides short sketches of the strategic plans for employment in six other states. Following an executive summary, the document's first section addresses the need for strategic planning caused by new economic realities such as the perception that knowledge is the premier wealth-producing asset; inefficient labor markets; poor program coordination; and a limited response from the U.S. government. The second section covers public sector strategic planning. It recommends a framework that includes the following: a vision of what a work force readiness system should be; a decision-making structure to carry out the strategic vision; the coordination of programs across various functional areas and levels of government; new program initiatives to respond to unmet needs; and methods of evaluating the performance of all components of the human resources system in relation to the state's vision. The third section discusses New Jersey's state strategic plan and the strategic planning efforts of Indiana, Maine, Maryland, Michigan, North Dakota, and Washington. The fourth section discusses how to overcome barriers to strategic planning and the importance of long-term commitments from policy makers in the public and private sectors. A 33-item bibliography concludes the document. (CML)

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WORKFORCE FUTURES: Strategic Planning in the States

RESEARCH REPORT

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WORKFORCE FUTURES: Strategic Planning in the States

RESEARCH REPORT NO. 89-06

February 1990

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PREFACE

Strategic planning for employment is both a very old idea and a very new one. Mayors, governors, and presidents have all been concerned with reducing unemployment and increasing the number, and the quality, of jobs within their respective jurisdictions.

A new interest in the concept of strategic planning for employment emerged in the States during the 1980s. Current newer interests and approaches are centered around education and research and development, quality of the labor force, and to some extent quality of life issues. In developing these new approaches the States frequently build on resources available through Federal legislation such as the Job Training Partnership Act.

This paper, prepared for the Commission by Professor Carl Van Horn of the Eagleton Institute at Rutgers University and his associates Ken Ryan and William Tracy, examines recent developments in strategic planning for employment. It identifies the key elements of strategic plans and examines issues to be addressed in implementing such plans.

The authors examine New Jersey's strategic plan in some detail, and provide short sketches of plans in six additional States: Indiana, North Dakota, Maryland, Maine, Michigan, and Washington.

The National Commission for Employment Policy is pleased to have sponsored this informative and stimulating policy paper. On behalf of the Commission, I express our appreciation to the authors.

JOHN C. GARTLAND
Chairman

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EXECUTIVE SUMMARY

Many policy analysts, business leaders, and state government leaders believe that strategic planning for employment may provide an important remedy for the ills of America's workforce readiness system. Strategic planning for employment is "the development of a set of actions designed to enhance the job opportunities for a jurisdiction's work force and minimize the chances for that work force's disemployment."

The evolving concept of public sector strategic planning is discussed and a framework for analyzing state and local initiatives is outlined. State-level experiments with various forms of strategic planning are summarized, with a special emphasis on New Jersey's experience. The report concludes with an analysis of barriers to implementing strategic planning and offers suggestions for overcoming them.

THE NEED FOR STRATEGIC PLANNING

The United States is failing, in several important ways, to meet many of the challenges of the post-industrial, international economy, according to dozens of reports by prestigious national commissions, private research organizations, congressional committees, and federal agencies. Gaps between workers skills and the demands of the workplace are harming the nation's overall economic health. Large numbers of poorly educated and trained workers will find it increasingly difficult to obtain permanent jobs at decent wages.

The gaps between workers' skills and workplace demands result from the shortcomings of the human resource systems for worker preparation. Worker preparation includes basic education, training, and retraining. In part, these shortcomings exist because of a lack of capacity in the systems and the failure of the separate institutions to function together in any integrated way.

While the bureaucratic concept of coordination applies in this discussion, the issue is much more complex. The institutions that comprise the human resource systems must themselves be better prepared to accomplish their missions individually and in concert with other elements of the systems. Leadership and planning will be required to achieve this goal. Leadership, planning, and coordination are important components of strategic planning for employment.

Substantial improvements in labor force preparation and retraining are needed, but the nation's education and training institutions are not prepared to address this serious problem.

Failure to coordinate related employment programs with one another or with related economic development and human service programs constitutes one

of the most regularly and appropriately cited reasons for ineffective human resource policy and administration.

The federal government has sometimes encouraged, sometimes thwarted efforts to improve human resource program planning and implementation. In the late 1980s, the federal government has begun to play a more helpful role in stimulating strategic planning for employment policy. For example, proposed revisions to broaden the membership of the State Job Training Coordinating Council mandated by the Job Training Partnership Act would create incentives for greater coordination of human resource programs at the state and local level.

PUBLIC SECTOR STRATEGIC PLANNING

Several states have begun to experiment with strategic planning -- a concept that is not yet fully understood and accepted throughout the employment policy community. Strategic planning typically encompasses several policy goals including a desire to improve the efficiency of labor market matching, to increase the demand for workers through economic development, to supplement the supply of workers, to redistribute job opportunities to disadvantaged groups, and to restructure job opportunities. The mix of goals chosen by policy makers depends in large part on the economic and labor market conditions present in their states and communities.

Strategic planning for employment consists of several essential elements: a vision of what a workforce readiness system should be in the future; a decision-making structure to carry out the strategic vision; the coordination of programs across various functional areas and levels of government; new program initiatives to respond to unmet needs for services to workers and employers; and, methods of evaluating the performance of all components of the human resources system.

The development of a strategic planning vision involves examining four interrelated issues: the nature of labor market supply; the demand for workers; the scope and quality of labor market interventions; and, tactics for applying the strategic plan.

In many ways, the states have a significant advantage in exercising the leadership, undertaking the planning, and providing the coordination necessary for developing and implementing of strategic planning for employment. They have the statutory authority to plan and assess most human resource programs and, thus, are in a strong position to help shape local programs so that they serve workers and employers adequately. Through their positions of authority, they can help bring about significant and lasting change.

EXPERIMENTS IN THE STATES

Several states have begun to implement strategic planning initiatives. State governments are uniquely positioned to play the critical leadership role.

New Jersey's public and private sector leaders have begun a long-term project to create an effective strategic plan for employment.

New Jersey's current labor demand and supply profile is a mirror of widespread predictions about the labor market of the 21st century. Six out of every seven new jobs created in the 1990s will be filled by a woman or a member of a minority group. Urban high school drop-out rates are approaching 50 percent.

Governor Thomas Kean formed a Cabinet Task Force in early 1987 to address how New Jersey might develop a more productive workforce for the future. The Governor's charge to the Task Force was concise yet comprehensive: determine the optimum employment and training system for the future of New Jersey.

New Jersey's strategic employment policy is guided by several basic principles: the employment and training system must promote long-term economic independence; encourage people to invest in their own education and training; incorporate the full range of services; coordinate state and local programs; must become a common endeavor of the public and private sector.

The overall governance of the future employment and training system became the responsibility of a revised JTPA Job Training Coordinating Council. The new Employment and Training Commission is appointed by and reports to the Governor. The Department of Labor is responsible for day-to-day policy making and operation of the system.

The Task Force further recommended expanding the responsibility of Private Industry Councils (PICs) so that they could function as a board of directors over local education, employment and training interventions.

A key feature of the proposed employment and training system is the mandate to establish a continuum of services for citizens and employers. Client eligibility will be transferable across programs; current disincentives for enrolling in multiple programs will be eliminated; a common intake and assessment method will be created across agencies; the Governor's Employment and Training Commission will review all employment and training initiatives.

New Jersey has outlined an ambitious vision for reforming human service programs. A commission that includes many of the key players in employment policy has been assembled; specific policies have been developed to improve inter-program coordination and to help monitor program performance.

The New Jersey employment policy model has yet to be fully implemented. Continued progress will require consistent leadership from the Governor and his staff to insure cooperation from Departments. A solid foundation has been laid for Governor James J. Florio who took office in January 1990.

Several other states have established strategic planning frameworks. Notable progress has been made in Indiana, Maine, Maryland, Michigan, North Dakota and Washington. Each state has developed a unique recipe, but there are several common elements to strategic

planning for employment: a vision of the future; a framework for action; private and public sector participation. Strategic planning initiatives have enabled governors and other participants to transform institutions and restructure programs and agencies to define and meet their state's employment policy objectives.

OVERCOMING BARRIERS TO STRATEGIC PLANNING

Strategic planning begins with a vision of what the state wants to achieve and how it plans to get there. In most instances, governors are the catalyst for change -- an essential ingredient for overcoming inertia. Overcoming initial resistance to change may be the most significant barrier to realizing creative state and local workforce readiness strategies.

Developing a consensus on state employment policy will involve a large set of participants. Several cabinet-level departments are typically involved -- most critically, those responsible for education, training, economic development and human services. Private sector participation is also essential.

Some state officials argue that strategic planning for employment should be ambitious and comprehensive. But, an equally strong argument is made for attacking the problem incrementally. The choice depends largely on history, politics, constitutional arrangements and the judgment of the governor and others responsible for initiating strategic planning.

Ideally, strategic planning initiatives should be considered at the earliest stages of a new gubernatorial administration. The governor-elect and transition team should weigh strategic planning objectives when appointing departmental and subcabinet staff.

Most states began the planning process by rethinking basic tenets of the workforce readiness system. The more sophisticated states, engage in a sort of zero-based planning analysis. They assessed needs, considered how well contemporary arrangements met those needs, and then specified adjustments in state programs and services to fulfill their employment policy goals. Private sector participation in the formulation and implementation of strategic plans is especially important.

The institutional changes required to both initiate and implement a strategic employment plan are formidable. Most states have built strategic planning reforms around existing structures -- such as the JTPA-mandated State Job Training Coordinating Council and local private industry councils. Few states have reorganized departments, but rather created interdepartmental coordinating groups, with strong control by the governor's staff or a lead department designated by the governor.

Coordination for strategic planning has vertical and horizontal dimensions. Vertical coordination, i.e, from local to state to federal levels of government, implies the sharing of information and the developing of mutually understood objectives. Horizontal coordination, i.e, within local program areas suggests the possible need for shared control.

Strategic planners must also promote local participation and coordination with the state plan. For some states, intergovernmental conflict poses the largest barrier to achieving an effective strategic plan. States should use program review and budgetary authority to encourage local cooperation in the implementation of an overall plan.

Strategic planning efforts need to establish quantifiable change measures so that they can mark progress toward the employment policy vision of the state. These measures may relate to changes in institutional structures and procedures, as well as more common employment and training measures.

CONCLUSIONS

Achieving successful strategic planning requires long-term commitments from policy makers in the public and private sectors. Many significant roadblocks stand in the way of meaningful reform.

Excitement over strategic planning runs high, despite previous failed attempts at governmental reform. There is an unorganized consensus in government and private organizations that human resource programs are not working effectively and that reform is essential. Creative leadership is needed to mobilize the consensus and put it to work on a common goal.

Progress has been made by several states following a structured sequence toward strategic planning. States must assemble the relevant cadre of public and private sector leaders and articulate a vision for the state's employment policy. This vision should be based on a careful and open-minded assessment of labor market supply and demand and existing labor market interventions. Then, a decision-making structure must be created to carry the vision from concept to reality.

Despite serious barriers, strategic planning for employment is underway. The degree of success will depend in large part on political support, business leadership, and the risk-taking capacities of agency administrators.

At this juncture, there is little hard evidence that strategic planning for employment has achieved all that its most ardent supporters anticipate. But this is not surprising. Strategic planning is a relatively new public policy phenomenon. It is a very ambitious idea, for if strategic planning works, a total overhaul of human resource planning and implementation will be accomplished. Strategic planning for employment should be encouraged by federal, state, and local policy makers and its progress should be carefully monitored in the years ahead.

THE NEED FOR STRATEGIC PLANNING

The global, competitive economy of the 1980s has created a strong demand for better trained workers. A rapidly changing U.S. economy and its workforce have increased the mismatch between the skills required by companies and those available in the labor market. Complex, proliferating, and uncoordinated human resource development programs are not adequately serving the changing needs of employers, employees, or job seekers.

In recent years, many policy analysts, business leaders, and state government leaders have suggested that strategic planning for employment may provide an important remedy for the ills of America's workforce readiness system. According to the National Commission for Employment Policy, strategic planning for employment is "the development of a set of actions designed to enhance the job opportunities for a jurisdiction's work force and minimize the chances for that work force's disemployment."

This paper examines the economic, organizational, and programmatic trends that encouraged policy makers to search for new employment policies. The evolving concept of public sector strategic planning is discussed and a framework for analyzing state and local initiatives is outlined. State-level experiments with various forms of strategic planning are summarized, with a special emphasis on New Jersey's experience. The report concludes with an analysis of barriers to implementing strategic planning and offers suggestions for overcoming them.

The idea that the public sector ought to engage in strategic planning for employment has evolved from problem recognition, to prescription, to implementation of specific approaches in several states. Profound changes in the nation's economic and political systems contributed to the emergence of state-level strategic planning for employment. State and local government action reflect intuitive visions of labor market needs in a transformed world economy. The components common to these new strategic planning initiatives will be highlighted in subsequent sections.

NEW ECONOMIC REALITIES

One of the most important developments in economics and politics is the growing perception that knowledge is the premier wealth producing asset. (Drucker, 1989.) This widely accepted premise has led to critical reassessments and reforms in U.S. human resource policies. In the view of many government and business leaders, improving America's human resource policies is essential to economic and political survival. Unfortunately, most analysts are not pleased with the U.S. position in the global economy. As summarized by Lester Thurow (1986):

> "I think the best way to think about the United States is that we are just an average country with an average level of productivity and an average level of technology and we don't have the tremendous lead on the rest of the world that we used to have."

The U.S. workforce is failing to meet the challenges of the post-industrial, international economy, according to dozens of reports by prestigious national commissions, private research organizations, congressional committees, and federal agencies. Gaps between worker skills and the demands of the workplace are harming the nation's overall economic health. Large numbers of poorly educated and trained workers will find it increasingly difficult to obtain permanent jobs at decent wages. Several illustrative conclusions follow:

- "Clearly, the competitiveness of U.S. industry is threatened when many young workers lack the basic skills to become productive workers" (President's Commission on Industrial Competitiveness, 1983.)

- "The competitiveness of the steel, automobile, and electronics industry will be largely determined by the advancement of human capital in the U.S." (Office of Technology Assessment, U.S. Congress, 1983.)

- The "amount of labor market adjustment presently generated by private markets and existing government programs is less than the amount needed to upgrade our human and physical capital to levels consistent with rising living standards while participating in international markets." (National Commission for Employment Policy, 1988.)

- "Unless America moves quickly into a new era in which upgrading and using our human capital become a central concern...We will become a nation of extractors, assemblers, and retailers -- poor by the standards of the rest of the world." (Reich, 1983.)

U.S. investment in human capital development during the post-war era fell substantially short of resources committed by major economic competitors, including Japan, West Germany, Canada, and Sweden. (Scott and Lodge, 1985.) A recent study conducted by the Educational Testing Service of Princeton found that American 13 year olds rank last in math and next to last in science, in comparison to students from six countries. (Time, 1989.) Employment and training policy in the U.S. is dominated by income maintenance programs, such as unemployment insurance. A modest number of structurally unemployed individuals enroll in "second chance" training programs each year, but most receive minimal, "pre-employment training," rather than intensive training in sophisticated skills.

U.S. human resource policies rest on several premises that are inappropriate in the contemporary international economy. Until very recently, policy makers assumed that young people could be educated in their early years for life-long productivity in the labor market. After obtaining basic literacy, life-coping skills and values from the education system, job-specific skills

would be supplied effectively by employers. It was assumed that employment and training programs should focus on preparing people to enter corporate training programs or for specific job openings. Human resource programs were not regarded as critical components in an overall economic development strategy.

These assumptions are now widely challenged. American-style human resource development policy is no longer adequate to the demands of a competitive and changing economy. The public schools do not work effectively for everyone: many young people do not finish high school. Drop out rates are especially high for certain minority youth. Others do not attain basic literacy even if they complete high school. Those who "fail" to obtain basic skills have difficulty entering the labor force or holding onto jobs that produce an adequate standard of living. The long-term unemployed may obtain assistance through a multitude of employment and training programs, but only a small portion of the potentially eligible population benefits.

Basic educational programs and most government-funded training programs do not adequately prepare people to adapt to change in labor force demands or in job specific skills. There are few nationwide mechanisms for coping with people whose skills become obsolete. With some notable exceptions, most companies do not provide regular skills upgrading programs for their employees and governmental assistance is virtually non-existent. And there are only modest incentives for public or private sector organizations to retrain workers.

INEFFICIENT LABOR MARKETS

Employers from a variety of industrial sectors report consistent and significant problems in finding qualified workers to occupy available jobs. The costs of labor market transactions increased sharply during the 1980s, as the cost of hiring new employees increased. Turnover rates increased as firms found that new workers quit to seek better employment or could not handle the tasks assigned to them.

Employers' problems in finding and keeping qualified workers lower the firms' efficiency (more time and money is spent on recruitment and training) and productivity (output is reduced while firms search for workers or train employees to perform new tasks). These problems are most severe for new, small and medium sized firms. For them, the costs of recruitment and training may be prohibitive.

A 1983 report by the Business-Higher Education Forum on American Competitiveness succinctly summed up the nature and scope of the human capital issues in the U.S. economy:

- The growth of the U.S. labor force will slow dramatically in the 1990s. Consequently, today's workers will constitute over 75 percent of the workforce in the year 2000. This aging workforce must be retrained to meet new challenges.

- Two-thirds of all new entrants into the workforce until 1995 will be women. Many of these will be

former welfare recipients and nearly all of the new entrants will require child care assistance for at least a portion of their working careers.

- The problem of youth unemployment will continue to persist. Many young people are poorly educated in high school or functionally illiterate. These deficiencies will prohibit many of them from participating in entry-level corporate training.

- Perhaps as many as one in five Americans is functionally illiterate. At least 10 percent are problem drinkers and an unknown number have drug-related problems.

Problems associated with labor force deficiencies have been especially troubling for state governments competing for new industry and commerce. State-level policy makers discovered that labor force characteristics were frequently regarded as the critical component in relocation/location decisions. (Carnavale and Gainer, 1989.) Many state policy makers realized that labor market issues would have to be handled more effectively if they hoped to lure new companies to their states and if they hoped to maintain the ones that were already located there. (Tracy, 1989.)

THE UNMET CHALLENGE OF PROGRAM COORDINATION

Substantial improvements in labor force preparation and retraining are needed, but the nation's education and training institutions are not prepared to address this serious problem. "America's public and private institutions -- government, business, labor, and education -- have become barriers to the flexible response which is the key to future prosperity," according to the Business-Higher Education Forum. (Tracy, 1983, 26.) The new economic and demographic realities, which place greater demands on existing employment policies, have "not been met by a transformation in our traditional systems of education and training." (Chmura, 1988, 5.)

Among the remaining problems are these:

- There is no system or strategy for investing in and developing human capital. Instead there is an array of related but uncoordinated programs and institutions concerned with human capital development.

- Business participation in employment programs has increased, but is still sporadic and labor market realities are still not consistently reflected in the plans and operations of employment and training programs, community colleges, let alone in the allocation of resources among competing programs.

- Contemporary education and employment curricula do not reflect changing requirements for workforce preparation. The focus on narrow-based technical skills training, for example, instead of the development of broader skills and

the capacity for life-long learning, is a continuing problem.

Failure to coordinate related employment programs with one another or with economic development and human service programs constitutes one of the most regularly and appropriately cited reasons for ineffective human resource policy and administration. The lack of effective relationships stems from conflicts in basic missions, ignorance, and dissatisfaction over previous coordination efforts gone awry.

The issue of inter-program coordination was formally introduced into employment and training policy in the early 1970s through the Cooperative Area Manpower Planning System (CAMPS). These voluntary and advisory state and local planning structures did not produce much real joint program planning in part because the authority to make decisions remained with competing agencies.

The CAMPS emphasis on cross-agency notification set the stage for somewhat more ambitious coordination policies adopted in the Comprehensive Employment and Training Act (CETA) of 1973. For the most part, CETA-style coordination consisted of little more than multiple agency sign-off on various operating plans.

The Job Training Partnership Act (JTPA) of 1982 established coordinated planning requirements for the Employment Service, the JTPA service delivery areas, and Private Industry Councils. Additional cross-cutting planning responsibilities and authorities devolved to states through JTPA.

After more than twenty-five years of coordination efforts, U.S. policy has still not reached an acceptable level of performance. "The fragmentation of human resource programs remains one of the major unmet challenges of domestic policy in America," according to a report issued in July 1989 by the U.S. Department of Labor's Job Training Partnership Act Advisory Committee. "This challenge of coordinating similar, but separately authorized and delivered social programs has been a perennial problem in public administration." (U.S. DOL, July 1989, 5.)

Despite the formidable obstacles posed by the fragmentation of human resource programs, the JTPA Advisory Committee and dozens of similar groups insist that greater policy coordination is required at each level of government. Coordination is not unto itself the goal of strategic planning, but it must be attained if strategic planning is to be developed and implemented.

LIMITED FEDERAL RESPONSE

Over the years, the federal government has sometimes encouraged, sometimes thwarted efforts to improve human resource program planning and implementation. Throughout the 1960s and 1970s federal policy reflected rapidly changing perceptions of the proper mix of federal control and state/local discretion. (Baumer and Van Horn, 1985.) In the early 1980s, federal policy moved toward a state-focused employment strategy. Congress debated the need for a comprehensive industrial policy, but

failed to pass any new legislation or significantly expand human resources programs. Instead, the Job Training Partnership Act and other federal policies relied upon the states to address the nation's human resource problems. The federal government's deficit problems sharply cut its ability to fund new initiatives.

In the late 1980s, the federal government began to play a more helpful role in stimulating strategic planning for employment policy. Congress required coordination between JTPA and the JOBS program under the Family Support Act. Some aspects of the proposed reauthorization of the Perkins Act will strengthen the linkage between vocational education and other job training programs.

Proposed revisions to the Job Training Partnership Act would create incentives for greater coordination of human resource programs at the state and local level. Service Delivery Areas will be required to develop formal agreements within their communities between education, welfare, job training and employment agencies. (Dole, 1989.) Also, the states would be required to create a single advisory council to advise the governor and coordinate federally-assisted human resource programs. Legislation designed to create such councils is currently pending in Congress. (See H.R.7, H.R.2803, and S. 543.)

In summary, over the last decade a wide spectrum of political and business leaders have come to remarkably similar conclusions. The U.S. must improve the preparation and functioning of its workforce. This is imperative for the growth of the economy and in order to guarantee equal opportunity for all Americans. Achieving a more effective workforce readiness system will require substantial changes in routine policy planning and program administration.

PUBLIC SECTOR STRATEGIC PLANNING

The challenge of reworking human resources planning and program administration is a formidable one. Conducting business as usual clearly will not be adequate. Several states have begun to experiment with strategic planning -- a concept that is not yet fully understood and accepted throughout the employment policy community.

Strategic planning is defined by the staff of the National Commission for Employment Policy as a "set of actions that is designed to enhance the job opportunities for a jurisdiction's workforce and minimize the chances for that workforce's disemployment." According to the Commission staff,

> "strategic planning includes, but is more than, plans for economic development and economic growth. Strategic planning takes into account changes in the jurisdiction's economy and in skill requirements of its workers. Strategic planning also addresses the public and private sector institutions that can assist in assuring that workers have appropriate skills and are sufficiently adaptable to meet the changing demands of the workplace."

Private sector strategic planning originated more than 30 years ago. It was developed after successful corporate experiments with program planning and budgeting. Pioneering work at the Harvard Business School convinced private firms that they should invest in careful corporate strategic planning. In business, strategic planning was a device for integrating various functions -- production, finance, marketing, logistics, and control. (Porter, 1987.)

Private sector organizations applied strategic planning to cope with rapid and unexpected change in their external environments: new laws and regulations, changes in consumer attitudes, restructured industries. A supplement to traditional long-range planning activities, strategic planning enabled policy makers to identify issues in need of immediate attention. "The basic objective of strategic planning is to achieve a dynamic balance between a planning organization and its environment" so that resources are maximized and the organization can cope with external threats. "Strategies are courses of action intended to achieve and maintain this balance." (Eadie and Hammond, 1986, 10.)

Applications of strategic planning principles in the public sector have been rare outside the defense sector of the federal government. Throughout the 30 year evolution of public employment and training programs in the U.S., there has been little or no strategic planning for employment, as defined in this report.

There are several overriding explanations for the failure to engage in strategic planning. The mass-production economy in which the U.S. held a tremendous advantage for decades over its com-

petitors did not demand a responsive and carefully crafted human resource investment strategy. The external threats to U.S. economic competitiveness were not perceived or even understood until rather recently. Consequently, the federal government did not establish strategic planning as a priority at the national or subnational level. Finally, the institutional and political obstacles to strategic planning have discouraged initiatives in many states and communities.

While the obstacles to strategic planning remain, the argument for engaging in it is more compelling than ever. Federal, state, and local policy makers and private sector leaders are finding virtue in strategic planning for employment. Increasingly, they believe that strategic planning principles can be readily applied to the employment policy dilemma. Strategic planning promises several advancements in the U.S. approach to human resource programs:

- diagnosis of conditions that affect the policy/program environment;
- assessment of the competitive advantages and disadvantages of various approaches;
- cross-program analysis and functional integration of program and service delivery; and,
- flexible adjustments in long range strategies to meet contemporary needs.

Human resource programs must be reordered. Strategic planning offers a mechanism whereby policy makers can break away from program-specific analysis and operation, and develop sensitive responses to the changing conditions affecting the state economy. (Chmura, 1988, 10.)

Strategic planning is thought of as an effective method for reordering the extremely fragmented human capital development enterprise. Such planning should give policy makers the tools to consider numerous issues that cut across organizational and programmatic responsibilities. A dynamic decision-making process that relates changes in the labor market environment to program interventions can be established. The value of strategic planning for employment rests on the assumption that the government and the private sector can plan for and respond to changes in the nature of the demand and supply of labor.

The overall purpose of strategic planning will depend in larger part on the directions chosen by key policy makers. These directions in turn are derived from conditions of the state's economic and labor force environment. Many states will find that different goals are appropriate to different regions of the state. Some may be experiencing labor shortages; others may suffer from a lack of job opportunities and so on.

In general, this vision will include parts of the following policy goals:

1. Efficient Labor Market Matching: improving the balance between supply and demand by achieving a more effective match between job opportunities and the labor force. This usually means greater efforts to upgrade the skills of the unemployed and underemployed.

2. Demand Supplementation: correcting the imbalance in supply and demand by increasing job opportunities. This goal usually requires more effective economic development strategies for the entire state or for targeted areas.

3. Supply Supplementation: increasing the supply of workers to allow the economy to expand. This frequently includes efforts to import workers from out of state and to encourage various groups, such as women with young children or senior citizens, to enter the labor force.

4. Redistribution: addressing the imbalance in employment among subgroups in the population. The basic objective is to produce a permanent increase in the target groups' share of jobs in a variety of occupations and at various wage rates.

5. Job Restructuring: improving the wages of jobs in the secondary labor market. Strategies to achieve this purpose usually include efforts to restructure jobs, create career ladders, and new entry-level jobs in the primary labor market.

Strategic planning initiatives usually begin when one or more senior policy makers in government or the private sector recognizes the need to address a serious human resource problem. The problem -- whether it is a labor shortage or high unemployment -- must cross over a threshold of significance that transforms an on-going problem into a broad-based policy concern. It is hard to define this threshold precisely, however. Much depends on the sensitivity of particular policy makers. For example, a governor seeking re-election may be very concerned about a modest increase in unemployment. An industry with significant investments in plants and facilities in a state may be especially concerned about attracting a constant supply of qualified workers.

In most instances, strategic planning begins with the governor of a state and his or her key advisors on employment and economic development issues. Strategic planning is essentially an executive function. While it may ultimately involve legislators and diverse interest groups, the technical capacity and long term interest in planning must come from the executive branch agencies that are responsible for program and policy implementation.

A FRAMEWORK FOR ASSESSING STRATEGIC PLANNING

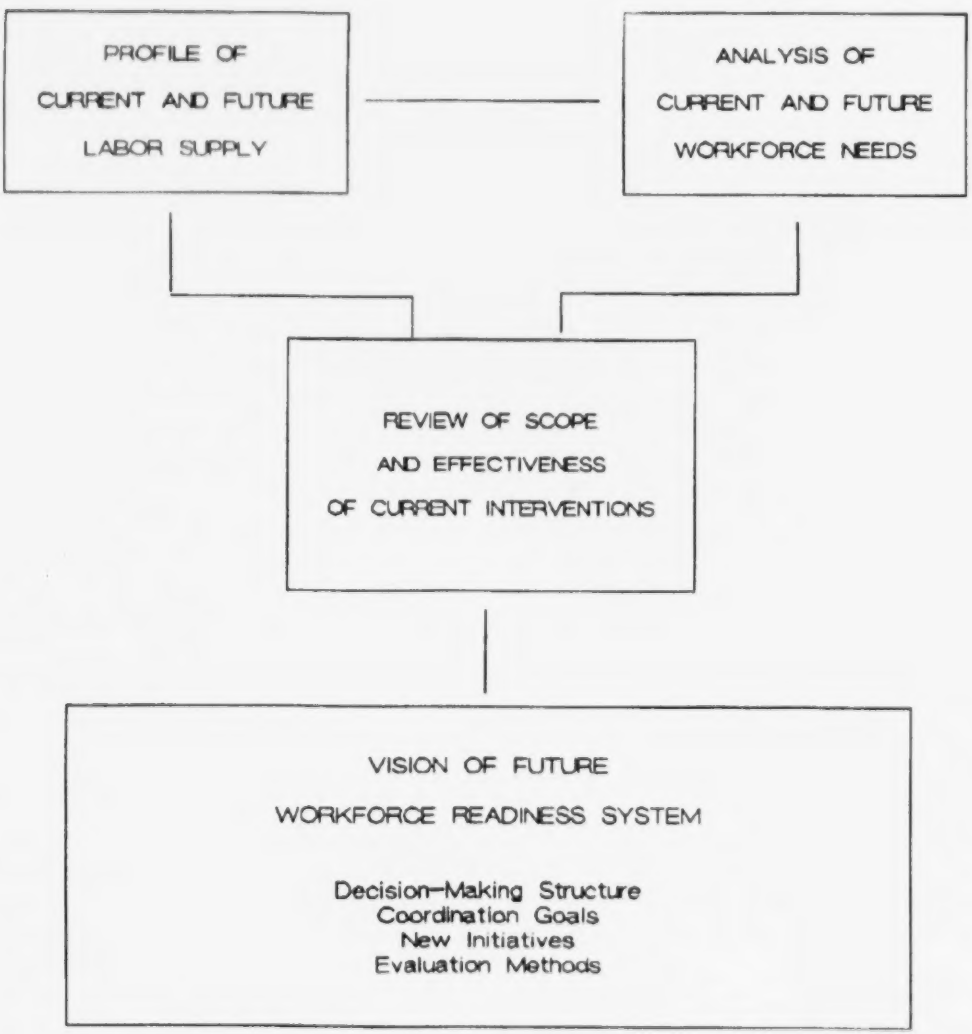
Strategic planning can be accomplished in a variety of ways. However, there are certain elements that are necessary for effective strategic planning at the state level. "States need an economic strategy that consists of a diagnosis of opportunities and risks, a vision for the future, and actions that are in accord with that vision. States need effective institutional arrangements for developing and implementing an economic strategy," according to the Committee for Economic Development (1986).

In our view, strategic planning for employment consists of several essential elements (See Figure I):

FIGURE 1

STRATEGIC PLANNING FOR EMPLOYMENT

A MODEL OF THE ELEMENTS AND PROCESS



1. A vision of what a workforce readiness (i.e., education, training, and retraining) system should be in the future;

2. A decision-making structure to carry out the strategic vision;

3. The coordination of programs across various functional areas and levels of government;

4. New program initiatives to respond to unmet needs for services to workers and employers; and,

5. Methods of evaluating the performance of all components of the human resources system in relation to the state's vision.

In order to develop a vision for the state's workforce readiness system, it is helpful to undertake a careful diagnosis of the problems and opportunities in the state's economy and labor force. After such an analysis, it will be possible to more fully articulate a set of policy goals for the state's human resource system and a series of tactical steps for realizing those goals.

Ordinarily, a diagnosis of the state's human resource issues and programs will include several important steps.

- Analyzing Labor Market Supply: Strategic planners must conduct an in-depth, and on-going analysis of the number, geographic location, gender, skill level, educational level, and employment status of current and future workers in the state. A full range of sources should be consulted including detailed analysis of census data, educational institutions, unemployment rates, unemployment insurance claimants, and immigration trends.

- Analyzing the Demand for Workers: Strategic planners must also conduct an in-depth and on-going analysis of the number and skill requirements of current and projected job openings. Here state or local planners may consult trends and projections by occupational areas and industry. Tracking general economic conditions, takeovers and mergers, relocation, business start-ups, and employment turnover is also necessary.

- Assessing Labor Market Interventions: Having thoroughly examined the gaps between demand and supply, the strategic plan must then investigate the performance of public and private training and placement programs, including the Job Training Partnership Act, Employment Service, vocational education, vocational rehabilitation, proprietary schools, adult education, economic development, and welfare programs. This should yield a comprehensive profile of these programs including funding levels, numbers served, performance, and relationship with other employment and training programs.

- Applying the Strategic Plan: The vision-setting phase of strategic planning forms the common direction and foundation for a tactical plan of action. Once a vision for the strategic plan is established and in-

formation on labor supply and demand and program interventions has been assessed, policy makers must establish a decision-making structure to institutionalize strategic planning and develop a tactical plan of short term actions that focus on achieving those goals. Wherever it is located in state or local government this decision making structure must apply strategic planning principles to the allocation of resources, the review and approval of plans, and the assessment of governmental performance.

Implicit in this framework is the importance of developing the capacity to scan the labor force environment for significant changes that may require adjustments in program interventions. Tracking the supply and demand of workers, and constructing effective labor market interventions form the foundation of strategic planning. Strategic planning for employment requires states to develop the capacity for collecting, analyzing, and processing information on essential external factors, such as changing labor force supply and demand characteristics. This environmental scan is especially critical given the current and projected shifts in labor supply, skill levels and the demands of the workplace.

In order to plan and implement an effective workforce readiness system, a broad array of agencies and programs must be coordinated: welfare, education, labor, business, economic development, unemployment insurance, and so on. Varying levels of coordination will be needed to fully implement a successful strategic plan. It is useful to think about program coordination efforts along the following continuum:

- Notification of Action and Information Sharing is the simplest step in the path toward interagency coordination. Agencies share relevant data and ideas on mutual problems or inform each other of planned or actual programs.

- Regular Information Exchange occurs when agencies establish a system or regular procedure for informing each other about specific projects and opportunities. This requires more commitment to coordination and the development of more elaborate communication mechanisms.

- Consultation requires greater commitment than the first two types of coordination because agencies seek each other's advice and/or endorsement for proposals or actions. However, under this category of coordination, one agency retains sole control and responsibility for planning or implementation.

- Shared Control is the most demanding category of coordination because here agencies agree to jointly participate in planning and administration, and share responsibility and accountability for program outcomes. Usually, shared control requires that one or more agencies yield some of their accustomed control or autonomy.

Building a cohesive workforce readiness system requires cross-cutting strategies that address inter-organization-

al issues. Policy makers and private sector participants must be educated about the strengths and weaknesses of the system. The entire array of the human capital infrastructure must be considered part of the strategic planning enterprise, including basic education, career preparation, and life-long learning programs. (Chumra, 1988, 11.) Because most human resource programs operate at the state and local level and in the public and private sectors, the task of program integration is difficult indeed.

In assessing strategic planning experiments, we look for evidence that policy makers brought together the essential ingredients to develop a comprehensive strategic plan and established a set of actions to make it work. We will consider who initiates and participates in the vision-setting and tactical planning phases of strategic planning. Also examined will be the techniques and processes used to overcome barriers to effective implementation of the strategic vision.

EXPERIMENTS IN THE STATES

In the late 1980s, the debate over workforce preparation shifted from prophesy to action. The concept of strategic planning emerged as a potential remedy for the many problems identified by public and private sector policy makers and analysts. When federal efforts to create broad-based planning initiatives stalled, state governments mounted their own efforts to improve economic development and employment programs and to minimize the disruptions from economic recessions. States have taken the lead in reforming economic development, education, and welfare programs.

The experience of several states in designing economic development strategies was especially helpful in encouraging strategic planning initiatives. During the early 1980s, as the nation was rocked by a deep recession, dozens of states undertook ambitious efforts designed to recover from high unemployment and to shield their economies from sharp blows in the future. Many of these efforts contained useful lessons for state policy makers, including the need for careful policy analysis and broad-based participation in the design of new strategies.

State governments are uniquely positioned to play the critical leadership role in the development and implementation of strategic employment plans. They are responsible for funding the bulk of the economic development, education, and welfare systems within their states. States administer the employment service, unemployment insurance, and large segments of the Job Training Partnership Act and vocational education. Many states have their own training and retraining programs. States are also central points for gathering labor market information that can be applied to critical resource allocation decisions. With major responsibility for virtually all programs that affect employment policy, states are the logical location for strategic planning initiatives.

Several states have begun to implement strategic planning initiatives. State policy makers concluded that government managers would have to find ways to squeeze better performance out of existing resources. Strategic planning gained in acceptance as policy makers realized that employment programs were not responding rapidly to dramatic changes in the conditions of the labor market. Antiquated methods of organizing and delivering programs were obsolete in the late 1980s economy. Policy makers need some mechanism for tracking and responding to this rapid change.

Efforts to design and implement a strategic planning framework for employment have occurred primarily at the state and local levels. The decentralized administration of human resource development programs, a hallmark of the "new federalism," has implicitly devolved responsibility for strategic planning to

the states. The conditions for strategic planning were also fostered by the Job Training Partnership Act (JTPA). JTPA created the infrastructure for state-level strategic planning by creating state and local public/private policy making councils and by fostering attention on broader human resource problems in the economy.

NEW JERSEY: A CASE STUDY OF STRATEGIC PLANNING

The evolution of New Jersey's strategic plan for employment is a particularly interesting case. New Jersey's public and private sector leaders have begun a long-term project to create a holistic approach to government intervention in the labor market. Institutions and procedures are being assessed and may be substantially redesigned as part of the larger strategy.

This paper examines the origin of the strategic planning initiative in the context of the workforce issues facing New Jersey, the composition of the group charged with developing a strategic plan, and the scope and nature of that charge. The core ingredients of New Jersey's strategic employment plan are summarized and the progress made in implementing these policies is described.

Origins of the Strategic Planning Initiative

New Jersey was among the first states to feel the impact of the transformation of the economic base from the industrial era to the technological era. From the rustbowl recession of the late 1970s, when statewide unemployment exceeded twelve percent to today's three or four percent unemployment rates, New Jersey is on the cutting edge of economic change. For despite rapid and astonishing economic growth, New Jersey is beginning to experience a slowdown in the pace of growth due to several factors, including the impact of labor shortages.

New Jersey's current labor demand and supply profile is a mirror of widespread predictions about the labor market of the 21st century. The state, with a total work force approaching four million, has 250,000 fewer teenagers than it had 20 years ago. State projections indicate that six out of every seven new jobs created in the 1990s will be filled by a woman or a member of a minority group. Urban high school drop-out rates are approaching 50 percent. Yet, New Jersey continues to be a magnet for high technology and information-age jobs and infrastructure. Its per capita income is second highest among the states. Foreign exports and foreign capital investment are among the highest in the country.

Beginning in 1986, a flurry of new program initiatives designed to address the training needs of various groups emerged from different departments of state government. A major overhaul of the state welfare system, known as REACH for Realizing Economic Achievement, placed strong emphasis on training and placing public assistance recipients in full-time jobs. The state created a new youth program for high school graduates that included guaranteed jobs and a continuum of service for at-risk youth. Policies and programs in six state depart-

ments were linked with over 600 local school districts. A special report prepared by the State Job Training Coordinating Council analyzing the duplication and fragmentation of New Jersey's employment and training programs was issued.

In response to the growing mismatch in the workplace and the continued layering of new and fragmented interventions, Governor Thomas Kean formed a Cabinet Task Force in early 1987 to address the long-term issue of how New Jersey might develop a more productive work force for the future. The Task Force, chaired by the Governor's Chief of Policy and Planning, consisted of the Commissioners of Community Affairs, Human Services, Education, Higher Education, Commerce and Economic Development, and Labor. The business community was represented by John Heldrich, Vice-President for Administration and member of the Executive Committee of Johnson and Johnson. An active and seasoned participant in job training policies, Heldrich was also the Chair of the State Job Coordinating Council.

The Governor's charge to the Task Force was concise yet comprehensive: determine the optimum employment and training system for the future of New Jersey. This broad mission of the Task Force was further refined through a number of guiding principles:

- the system must provide access to appropriate education and training opportunities for all citizens, including the economically disadvantaged, so that they may prepare for changes in the state's economy;
- the system must be streamlined;
- the business community must be a full partner in the design and operation of the system.

Ingredients of the Strategic Plan

In developing policy recommendations, the Task Force closely examined three essential elements of the state's workforce readiness system: the supply of workers, the scope and nature of the demand for workers, and the efficiency of current labor market interventions.

Since most members of the state's labor force through the year 2000 are already living in New Jersey, gross labor supply projections are relatively easy to forecast. New Jersey will experience a slowing growth rate in its work force, with nearly all of the increase consisting of women and minorities. More difficult to forecast, however, is the competency and skill level of the emerging workforce, whether dislocated or new entrants. While only gross estimates of illiteracy rates and dislocation are available, the Task Force projected skills shortages that could threaten future economic growth.

According to the Task Force Report:

> "In the not-too-distant past, our problem was creating enough jobs for everyone. That won't be the problem in the years ahead...The future challenge to New Jersey and its employers won't be job creation, but finding enough of the right people to fill the jobs openings that will exist." (Task Force, 1987, 19.)

The Task Force conducted a comprehensive review of current and projected labor demand by occupation and industry. The skill and competency requirements for growth occupations were carefully analyzed. Utilizing three different competency levels relating to people, data, and things, the Task Force dramatically documented the increased competencies required for the average job.

Those jobs requiring the highest competencies levels -- the greatest demands on thinking ability -- were projected to increase by the greatest percentage. The largest gains were projected to occur in moderate competency jobs, such as word-processing, advanced clerical work, skilled crafts, accounting, and bookkeeping. The lowest growth was projected to occur in the jobs demanding the lowest competencies, including laborers, general office clerks, custodians, and so on.

Finally, the Task Force conducted a comprehensive and ambitious analysis of current labor market interventions. The Task Force reviewed all the job training and education efforts in New Jersey from three different perspectives; by department, by the type of service provided, and finally by target groups served. Sixty-three different programs were spending over $300 million a year providing education and job training services to an estimated 800,000 citizens. "New Jersey's current employment and training system, while sophisticated, complex, and diverse, lacks sufficient coherence, integration, and uniform effectiveness to be of maximum utility in preparing the state's workforce for the jobs of the future," wrote the Task Force in its conclusion. (Task Force, 1987.)

The Task Force approached its mission from the perspective that human resources are the primary wealth-producing asset of the emerging economy. The overarching objective of the framework developed by this group was the desire to empower individuals to achieve economic security through education and training aimed at meeting emerging workplace skill and ability demands. Governor Kean adopted the recommendations of the Task Force as the state's official employment policy in December 1987.

New Jersey's employment policy envisions an employment and training system that will encompass a broad continuum of services to meet the varying needs of different people. These services range from developmental education to retraining to support services, such as day care and transportation. The vision of future employment policy is guided by six basic principles contained in the Governor's Statement on Employment Policy.

1. ***The employment and training system must be designed to promote the long-term economic independence of New Jersey's people.***

2. ***New Jersey's work force must be encouraged to invest in their own education and training.***

3. ***New Jersey's employment and training system must incorporate the full range of services our people need to become and remain employed.***

4. ***To achieve a more effective and coordinated employment and training sys-***

tem, state and local leadership of the system must be strengthened.

5. New Jersey's employment and training system must be pursued as the common endeavor of the public and private sector.

6. New Jersey's employment and training system must strive for excellence.

In the context of the five optional directions which shape the foundation of strategic employment policy, New Jersey's vision of its future workforce readiness system primarily addresses the crafting of a more efficient labor market matching system. The strategy emphasizes improved linkages and programs to prepare the unemployed with educational skills, vocational skills, and job matching programs. The primary purpose is to meet job demands and to absorb the unemployed.

To a lesser extent, New Jersey's vision includes strategies for redistribution by targeting existing and new programs to the youth population. The redistribution strategy is also broadly addressed when examining the state's urban and high unemployment areas. New Jersey's employment policy stops short, however, of specific strategies targeted to urban centers. For example, although Urban Enterprise Zones have been created to promote job creation and capital investment, New Jersey's employment policy does not require the integration of job training programs with such economic development initiatives.

The Task Force Report contained a number of recommended action steps outlining "how" the state would move toward a future employment and training system.

Decision-Making Structure. The Task Force recommended that the overall governance of the future employment and training system become a high-level state responsibility by reconstituting the JTPA Job Training Coordinating Council as the state Employment and Training Commission. The Commission would be appointed by and report to the Governor. The membership of the new Commission would expand to include Commissioners from other departments and the policy making body would be empowered to examine all parts of the employment and training system. In contrast, the JTPA Job Training Council had a much more narrow scope of responsibilities.

At a local level, the Task Force further recommended expanding the responsibility of Private Industry Councils (PICs) so that they could function as a board of directors over local education, employment and training interventions. The report also suggested that half of the current PICs should be reconstituted to cover major labor markets. Inherent in the recommended decision-making structure is an expanded leadership role for the business sector through its involvement in state and local policy-making bodies.

Coordination. The Task Force clearly recommended that the new system focus on improving connections among existing programs and services rather than create a new set of organizations. A key feature of the proposed employment and training system is the mandate to establish a continuum of services for citizens and employers. The continuum of ser-

vices is envisioned as a seamless series of services designed to allow individuals and employers to draw upon resources based on changing individuals needs, in contrast to categorical programs which are not connected, particularly from the user's perspective. According to the Task Force, such a continuum would "interrelate the range of disparate programs, services and supports that comprise the current employment and training system." A number of specific action steps were recommended by the Task Force to promote this coordination:

- Make client eligibility transferable across programs;
- Eliminate current disincentives for enrolling in multiple programs;
- Create common intake and assessment methods across agencies;
- Insure collaborative planning with the economic development system;
- Establish coordinated service delivery as a local PIC priority;
- Empower the Governor's Employment and Training Commission with review and approval authority for all employment and training initiatives.

Program Initiatives. The Task Force recommended a series of specific steps dealing with new programs and services which would be essential pieces of the future employment and training system:

- A major new strategy which advances the self-sufficiency of at-risk youth;
- An intensive campaign to increase adult literacy;
- A flexible funding pool to encourage workers to invest in their own career upgrading consistent with changing skills demanded in the workplace;
- A new institute to design, coordinate and deliver staff development services to employment and training personnel across all departments;
- Expanded and ongoing capacity to generate comprehensive data on labor supply and demand.

Evaluating the System. The new Commission would be responsible for developing performance standards for all components of the employment and training system and for monitoring progress. Such a performance system should focus on outcomes and the long-term impact of program interventions. Common definitions and benchmarks would be established across departments and programs.

A Progress Report

Substantial progress has been made toward realizing some of the goals outlined in the Governor's Task Force report. An executive order establishing the New Jersey Commission on Employment and Training was issued by Governor Kean in April 1988. The Commission was charged with creating the future employment and training system outlined in the report. Legislation was introduced in the state legislature to formalize this action and it gained bipartisan sup-

port. This legislation was signed into law in January 1990. The key features of the State Employment Commission are:

1. The active and catalytic role played by the private sector in the establishment and focus of the commission. Private sector representatives on this commission are predominantly Chief Executive Officers and executive committee members of the state's largest corporations.

2. Commission review of all employment and training activities of all departments of state government. This shared control of the planning process has been extended locally to Private Industry Councils.

3. The design of a market-based planning system including the development of competency based labor market analysis to measure the skill gaps between workers and jobs.

4. A local planning model that provides for substantive PIC involvement in all human resource development programs.

5. Multi-agency goal setting, performance standard development and oversight.

6. Flexibility to merge other councils and committees under the jurisdiction of the Commission.

In short, New Jersey government and the private sector have made an explicit commitment to the refinement and implementation of a strategic employment plan.

Since Governor Kean's second term was nearing an end, the Commission decided to appoint an interim executive Director. Frederick Radlmann was appointed Executive Director of the Commission for an indefinite period of time in early 1989. Radlmann has over twenty years of experience in the operation, administration and policy development of job training programs. Prior positions include Director of the State Employment and Training Division and Regional Vice President of the National Alliance of Business as a loaned executive from Johnson and Johnson.

The initial funding for the Commission included $185,000 in state funds. Additional staff support for the Commission was provided through various divisions of the state Department of Labor. This year the Commission has requested a state budget of $300,000. The new budget provides four to five professional staff positions, increasing to nine through 1991.

In addition to performing functions assigned through the Job Training Partnership Act, the Commission has initiated a number of activities in support of the Governor's Employment Policy.

- The Commission Chair met with the majority of PIC Chairs, directors and local elected officials throughout the state promoting the new Employment Policy.
- Established small task forces addressing such key issues as at-risk youth and worker dislocation.
- Formulated procedures to integrate JTPA and employment service at the local level.

- Reorganized the Planning Committee of the Commission to include liaisons from each state department.

- Contracted with the state university to develop uniform performance standards for the employment and training system.

- Oversaw the employment and training components of state's new welfare initiative.

Coordination. Strategies that promote inter-program coordination are an important element of New Jersey's future employment and training system. Beyond promoting coordination at the state level, the Commission has taken direct action toward implementing coordination at the service delivery level. The Employment Service/JTPA Coordination Committee of the Commission has proposed a so-called Jobs New Jersey concept. Beginning with plans submitted in May 1989, local service delivery areas were required to submit an integrated employment and training plan, combining the JTPA Job Training Plan and the Local Plan of Service for the Job Service.

Planning instructions issued to PICs required each plan to address how they would accomplish the following:

- Coordinated marketing under the common identity of "Jobs New Jersey;"

- Unified intake process;

- Integrated assessment;

- Coordinated job search assistance and placement;

- Coordinated job development; and,

- Coordinated recruitment.

Evaluating the System. Recognizing the need for a comprehensive set of baseline performance standards for all programs in the employment and training system, one of the Commission's first steps was to develop such standards. A report including recommendations was completed by a faculty member at Rutgers University and reviewed by the Commission.

Several important recommendations were made in the report. Evaluation data should reveal the interrelationships between programs and should be organized by population group served and/or occupational training clusters rather than by program. The standard reporting year should be July 1 through June 30, requiring some agencies to rearray their data to conform to a standard reporting period. Standard definitions of placement and positive terminations should be adopted to insure consistency in performance evaluation. Program outcomes should be expressed in absolute numbers (for example, number of employed graduates or average earnings of graduates) or in productivity ratios (for example, cost per employed graduate) not as placement rates. A single data retrieval system, such as unemployment insurance wage records, should be used to collect post-program earnings of participants in all programs. Experimental evaluations using a control group of non-trainees should be conducted.

New Jersey has made a strong move in the direction of a strategic employment policy. An ambitious vision for reforming the human resources delivery structure has been articulated; a funded commission which includes many of the key players in employment policy has been assembled; specific policies have been developed to improve inter-program coordination and to help monitor program performance.

The New Jersey employment policy model has yet to be fully implemented. Continued progress will require consistent leadership from the Governor and his staff to insure cooperation from Departments. The employment policy initiative came late in Governor Kean's second and final term. But, the opportunity to build on a solid foundation exists for Governor James J. Florio who took office in January 1990.

STRATEGIC PLANNING EXPERIMENTS IN SIX STATES

Since the passage of the Job Training Partnership Act in 1982 several states have initiated actions to establish a strategic planning framework for labor market intervention. The following section presents a selective review of the experiences of several states that have made notable progress -- Indiana, Maine, Maryland, Michigan, North Dakota and Washington. In each state, policy makers and human resource program practitioners have forged alliances with other stakeholders to address common concerns. A robust blend of strategies for the development and implementation of employment policy is emerging.

Given the diversity of economic, political, and organizational environments across the states, it comes as no surprise that they have developed unique recipes for achieving strategic employment initiatives. Nevertheless, our exploration of these states suggests that there are several common elements to strategic planning for employment.

A vision of the future, refined into a policy framework, is the key catalytic ingredient. This vision, expressed in various ways, is the glue that holds strategic planning efforts together. A framework for action usually creates some structure -- a planning commission, an interdepartmental council, or a cabinet working group -- that allows the various stakeholders to work with one another. In each state, governors have called upon private and public sector participants to develop a conceptual framework and implement it. These frameworks all possess the common elements of Analysis of Labor Market Supply; Analysis of Demand for Workers; An Assessment of Labor Market Interventions; System-wide Application of Strategic Information.

While sharing approaches, the conclusions reached and directions taken are tailored to individual state needs and objectives. Strategic planning initiatives have enabled governors and other participants to transform institutions and restructure programs and agencies to define and meet their state's employment policy objectives and strategic objectives.

The six state summaries review the decision making structures, program coordination activities, new program initiatives, and offer brief assessments of progress to date in achieving strategic planning goals.

Indiana

Indiana was one of the first states to develop a strategic employment plan. In 1982, the state promulgated a "State of Indiana Policy for Vocational Education, Training and Employment." This policy emphasized human resource development as a major facet of economic growth and was consistent with and supportive of the state's strategic economic development plan -- In Step with the Future.

Drawing on this vision for state policy, the state developed a five year "Strategic Plan for Employment and Training." This plan established a mission for the employment and training system:

"To provide, in support of Indiana's economic growth initiatives, a local public system which meets employer needs both by matching qualified job seekers with jobs and by developing qualified job seekers."

The state also adopted several principles for the employment and training system. The private sector is a full partner in program operation. PICs serve as the board of directors and decision makers for all employment and training decisions at the local level. PICs have the authority to select program operators for all services and are not required to continue existing service delivery systems or contractors. Public labor exchange is identified as the core of the system. PICs are responsible for program operation and control. The plan encourages "one-stop" service delivery with unified service provision at the local level.

The state is responsible for establishing system parameters and uniform outcome measures that are consistent across various programs and agencies. Accountability standards have been tightened across agency lines. New financial management procedures have been developed; performance standards have been designed to focus on program outcomes; coordination compliance sanctions are being developed; and guidelines for PIC membership are under development.

Currently, the state is planning a reorganization which will emphasize functional assignment of responsibilities and local delivery system support. A consistent statewide identity for the employment and training system is under development.

Not surprisingly, controversy has accompanied Indiana's decision to decentralize decision making to the PICs. State employees and their representatives challenged this concept. Thus far, Indiana's strategic plan has withstood challenges. In March 1989, this new approach was endorsed by the new administration of Governor Evan Bayh and its full implementation is being spearheaded by Lt. Governor Frank O'Bannon, who has promised that these unified services will be fully operational by July 1, 1990.

North Dakota

North Dakota was also one of the first states to develop a strategic employment plan. The Governor's Employment and Training Forum was formed in 1983. Like Indiana's plan, this plan was developed from a vision of human resource as an essential ingredient in the state's economic development strategy. The genesis for the unified employment and training system was a governor's conference on economic development. The decision making structure has a majority private sector participation. All employment and training functions are coordinated within the framework of partnerships for new job creation in rural areas. This system has transcended gubernatorial administrations.

North Dakota is one of a handful of states with a single Service Delivery Area (SDA), under JTPA, and single Private Industry Council. It is also one of the few states to designate the Job Service as the principal service delivery agency for JTPA Title IIA, IIB, and III activities.

The Governor's Employment and Training Forum (GETF) is empowered by executive order to effect additional consolidation of employment and training related councils. GETF is also responsible for identifying and assessing the state's training and vocational needs. GETF oversees the entire network of services and programs in an effort to avoid unwanted service duplication.

GETF's activities are coordinated with eight Regional Employment and Training committees. These are arranged to serve the state's eight regional planning districts. Economic development, education, social service and employment and training resources are linked with one another at the local service level.

A major thrust of GETF has been partnerships for new job creation in rural areas.

North Dakota's size and economy have contributed to the smooth implementation of its strategic plan. Nearly 30 percent of the state's civilian labor force is assisted by this system each year. The state has also avoided debilitating institutional competition and resistance to unified employment and training delivery structure.

Maryland

Maryland approached strategic employment planning with a vision of a unified workforce investment system. This vision is molded by the realization that there are no "spare people" and that in a labor short and growing economy, labor supply supplementation is an essential component of the state's economic health. In response to a request by Governor William Schaefer, the Governor's Employment and Training Council (GETC) undertook a major overhaul of the employment and training delivery system to achieve this vision.

Beginning in 1987, the GETC reviewed all elements of state government to determine the best way to implement a more unified set of programs to help workers and employers.

GETC established three basic coordination responsibilities that will facilitate the

development of a unified work force investment strategy:

- Monitoring and evaluating the State's workforce investment system; including the departments of Economic and Employment Development, Human Resources, and Education;
- Developing unified workforce plans and policy investments for the governor; and,
- Developing and disseminating information to support this mission.

Maryland's coordination goal is to bring together all employment and training activities at the local service delivery level. State initiatives in both welfare and education reform establish clear linkages and service delivery coordination through PICs.

The GETC has established a local decision making structure for planning and service delivery of the state's new program initiatives -- for welfare reform initiatives (Investment in Job Opportunities and Project Independence); for economic dislocation and worker adjustment assistance (EDWAA); and for at-risk youth and literacy programs (Maryland's Tomorrow and Literacy Works).

PICs serve as the "board of directors" for the employment and training related aspects of all of these initiatives. These initiatives are both integrated and interdependent public/private partnerships. Individual program goals are linked to the state's strategic employment plan.

Maryland has begun to build a workforce development strategy and has displayed flexibility in resolving conflicts and overcoming hurdles. An original GETC position on decentralizing Employment Service labor exchange functions (an approach adopted in Indiana) has been modified. A market-based planning framework, which gives PICs and Job Service Employer Committees local determination of labor exchange goals and activities, has been instituted. The market-based planning framework is consistent with the strategic framework outlined in this paper. Local goal setting and performance measurement are also importance aspects of the Maryland approach.

Maryland's strategic plan is being implemented in varying degrees by every PIC in the state. The scope of activities and timeframes for implementation are extremely ambitious. Service delivery areas and PICs are progressing at different rates through the implementation process.

Maine

Maine is in the second year of a Comprehensive Human Resource Development Plan. This plan developed from a vision, articulated by the governor, that "...Maine's greatness and future depend on the aspirations and skills of its people."

This initiative, launched by Governor John McKernan, is designed to strengthen the multi-agency cooperative approach to the planning of state human resource development programs. Expanding upon the Governor's coordination and special services plan, Maine

developed a decision making structure that connects both policy makers and lead planners from the state's human resource development agencies in the formulation of an annual plan. Individual agency goals, objectives and planning documents address the agency or program contribution to the overarching Human Resources Development goal of ensuring "that Maine's workforce is ready for the 1990s and beyond."

The Governor announced six specific goals for Maine's Human Resources Development strategy:

- Strengthen the multi-agency cooperative approach to the planning of human resource development programs;
- Coordinate human resource planning with economic development to better utilize human resources development as an economic development tool;
- Improve delivery and coordination of human resource programs to welfare recipients to reduce welfare dependency;
- Develop a strategy for helping youth make the transition from adolescence to adulthood;
- Increase retraining and upgrading opportunities for workers in existing industries;
- Improve employment opportunities for groups who have traditionally faced barriers to employment.

In 1988, the governor formed a subcabinet group to work with the Maine Human Resource Development Council to establish concrete objectives for the accomplishment of the Governor's six human resource goals and to establish objective measures for assessing progress. This planning process resulted in specific steps to be undertaken in support of the governor's goals.

Maine's experience with this model has been encouraging. Collectively this public/private partnership established a new cooperative planning and service delivery system. The Maine Human Resource Development Council reports that of 29 tasks identified in the first year plan (1988-1989), 22 have been initiated and are operating successfully, six have met with mixed success, and one has not been implemented. Successful tasks have been completed in the areas of preparing Maine youth for the workplace, moving welfare recipients into productive employment, targeting training to new demand occupations, and increasing the Governor's Training Contingency fund fourfold in the first year. A few programs have developed more slowly than anticipated including the use of training funds earmarked for new industries, the integration and increase of services to older workers and displaced homemakers, and a computerized tracking system for public school students.

The impact of the restructured service delivery system is summarized by Council's assessment of the first year of operation:

> "Perhaps most importantly, the process of program coordination,

under the auspices of the MHRDC, was begun and will lead to long-term benefits for the citizens of Maine. Recognizing that people have very diverse needs and sometimes require a variety of services to enable them to be productive Maine workers, an automatic interagency cooperation and information exchange is essential to the successful and effective delivery of state services and programs."

Michigan

During the late 1970s and early 1980s, Michigan suffered severe declines in its employment and industrial production. The Michigan Human Investment System was designed by Governor James Blanchard to insure that the state has a world class workforce to compete in a global economy. The first steps to implement this vision have begun with the establishment of the Human Investment Fund and the piloting of integrated services to three target populations - graduating high school seniors, Michigan Youth Corp participants and dislocated workers. Additional pilot programs that fully integrate a diverse set of services were scheduled to begin in late 1989.

The key design criteria of this Human Investment System are:

- shared control of planning and coordination at both state and local levels of government;
- "one stop" single point of entry to the entire system
- system-wide single service marketing;
- core services, such as labor market information, assessment and placement assistance at no cost to anyone seeking assistance;
- training and education services free to eligible target groups and tuition based to others;
- outcome oriented system-wide accountability and performance standards;
- an automated system to increase direct service staff.

The unique component of this system is its use of automation. The strategy is to connect the system beyond the level of agency and program operating environments. The use of an "Opportunity Card," a smart chip computer card, is being used to manage and coordinate the integrated delivery of education, employment and job training services to the general public at demonstration sites throughout the state. Additional automated system integration tools are being developed including automated access to a wide variety of employment and training information by the general public.

Washington

Washington has instituted several multi-agency initiatives in support of Governor Booth Gardner's employment policy. These activities include joint marketing, funding across agency lines, functional assignment of responsibilities among agencies and shared control of planning authority. Washington's approach to strategic employment planning is to view government as an "entity acting on behalf

of its constituents." This vision encourages government managers to think about solving problems and addressing needs with the appropriate resources, rather than just program-specific solutions.

This perspective, which is encouraged by Governor Gardner, provides a central orientation for the state's strategic employment planning efforts.

Pioneering high support employment programs for the homeless in Seattle; rural entrepreneurial programs for welfare recipients; and, occupational training via satellite in "one-stop" employment centers are examples of new initiatives that have been developed in Washington's strategic planning environment.

The Washington State Business Resource Network is also an outgrowth of the Governor's new employment and economic development policies. The Business Resource Network coordinates all workforce related programs and services available to employers in the state. It provides a comprehensive resource for employers and the contact point for all state and federal job creation, and job training programs. It provides one-stop access to the Departments of Community Development, Trade and Economic Development, Revenue, and Small Business Development Centers and connects employers with all training and education resources available to them. The network is linked with over 100 business associations and employer groups throughout the state.

Another comprehensive structure that emerged from the state's strategic employment plan is Washington's Family Independence Program, a prototype for the federal welfare reform initiative. The Family Independence Program is a welfare to work initiative jointly operated by the Department of Social and Health Services and the Department of Employment Security.

At both the local and state levels decision making structures are focused on outcomes and program evaluations are designed to assess agency contributions to overall market impact.

IMPLICATIONS AND RECOMMENDATIONS

Strategic planning for employment is an idea whose time has come. The need for new approaches to tackling employment issues has been widely accepted throughout the political and business community. New economic realities, including growing mismatches between the job opportunities and job skill levels of the population and a more competitive global economy, and the growth of an information and service-based economy, have heightened the importance of human resources in the economic development equation.

Human resource programs and agencies proliferated during the 1980s, despite efforts at consolidation and deregulation. Resources for educating and training the workforce are expanding, but not as rapidly as during the 1970s. Efficient resource allocation is critical to policy makers.

Several state governments are experimenting with strategic planning as a mechanism for focusing and reordering human services programs. States have become the central planning and oversight level of the American federal system. Bringing services to people remains the responsibility of schools, social service agencies, and training contractors in communities, but states are more important than ever in the management of education, economic development, urban revitalization, and welfare reform. As a consequence, states have initiated efforts to improve their workforce readiness programs and to promote economic growth and economic opportunity.

The focal point of strategic planning is appropriately lodged at the state level. The federal government can encourage states to engage in strategic planning. Programs that enhance state and local capacity are helpful. Federal laws and regulations can be drafted to strongly support integrated planning and delivery of services.

Nevertheless, state governments are a critical link in shaping the mosaic of services for employers and workers and in fostering economic growth. State governments are able to influence and encourage integrated service delivery through state-wide coordination and by eliminating barriers to local cooperation. Additionally, state governments can provide critical analytic information to local planners and offer financial incentives for communities that make progress toward more effective human resources planning and implementation.

Strategic planning for employment is undergoing rapid development. A number of states that are engaged in what we label "strategic planning" in this report do not apply that term to their activities. As with most governmental innovations, especially one as complicated as strategic planning, a number of substantial barriers remain to be overcome. In this final section of the report, several major obstacles to effective strategic planning

and approaches for overcoming them will be considered.

OVERCOMING BARRIERS TO STRATEGIC PLANNING

Developing the Vision

The literature on strategic planning, and our analysis of several state experiments, demonstrates that strategic planning must begin with a vision of what the state wants to achieve and how it plans to get there. Achieving consensus on a vision for the strategic employment plan may be difficult. States have taken a variety of approaches that reflect political/organizational considerations and their economic environment.

Where does the vision come from? The beginning point of strategic planning is the recognition of a need for better, more ambitious human resource planning and program delivery. The economic conditions of a state have a lot to do with whether human resource issues rise to the top of the policy agenda. We found strategic planning efforts begun in states facing economic stagnation, such as Michigan, and in states coping with rapid economic expansion and the attendant labor force problems, such as New Jersey.

The extent to which labor force issues receive primary attention is also a function of the professional judgment and political values held by key decision makers. Elevating strategic planning for employment and defining it as a matter for serious action begins in most instances with the governor and his or her staff or relevant cabinet members. The state's chief executive can command significant portions of the bureaucracy and sufficient respect in the business community to bring the various players together. Governors are the catalyst for change -- an essential ingredient for overcoming the inertia that governs most service delivery systems. Overcoming initial resistance to change may be the most significant barrier to realizing creative state and local workforce readiness strategies.

Who should be involved in the vision-setting stage? Developing a consensus on state employment policy will involve a large set of participants. Several cabinet-level departments are typically involved -- most critically, those responsible for education, training, economic development, and human services. Involving a cross-section of employers in designing the initiative is especially important. Private sector employers may be drawn from the ranks of Private Industry Council members, trade associations, chambers of commerce, and small business organizations. It is important, however, to make sure that those who participate are broadly representative of the employer community. The employers' knowledge and credibility contribute substantively to the planning process and help insure that programs will be sensitive to the real needs of small and large employers.

Precisely who sits at the table when the plan is put together varies, depending upon circumstances in each state. If the state desires a total overhaul of workforce preparation programs, then goal setting should be undertaken at the

highest level of state government and the private sector. The chief state school officer and others responsible for post-secondary education must be involved. If the state has more modest ambitions, such as improving the functioning of labor exchange programs, then reform may began at the subcabinet level; it may not be necessary to have education officials integrally involved.

Some state officials argue that strategic planning for employment must be ambitious and comprehensive. But, an equally strong argument is made for attacking the problem incrementally. The choice depends largely on history, politics, constitutional arrangements, and the judgment of the governor and others responsible for initiating strategic planning. For example, an ambitious reform effort may not be possible in states where an independently elected chief state school officer refuses to cooperate.

If those responsible for strategic planning eventually hope to gain cooperation from multiple agencies, the legislature, the private sector, and local elected officials, then representatives from these important interests must be involved. The process of setting clear policy goals may take several months, but the right players must be invited into the process at the early stages. It is important to avoid serious "mistakes" at this initial stage of policy making. Usually, when powerful participants are by-passed, they will present formidable roadblocks later on.

Excluding legislators from the planning process is a common mistake. Generally, the more ambitious the change contemplated, the more the executive branch will have to rely on the legislature for statutory and budgetary support. Most strategic planning efforts will usually result in requests to the legislature for additional or changes in appropriations, restructuring of the state bureaucracy, and new programs. Legislative leaders who are shut out of the decision-making process may simply thwart implementation. Objections by legislators who were not consulted during the development of New Jersey's employment policy have resulted in costly delays.

Timing is extremely important in organizational reforms. Those promoting strategic planning for employment will certainly seek the optimum time and this will vary by state. Ideally, strategic planning initiatives should be considered at the earliest stages of a new gubernatorial administration. The governor-elect and transition team should weigh strategic planning objectives when appointing departmental and subcabinet staff. Willingness to cooperate with the governor's initiatives should be sought early.

A Market Framework. The vision of the state's future employment and training system is the core of strategic planning. As noted above, consideration must be given to three essential elements of strategic planning:

- the nature of workforce supply;
- the nature of demand for workers; and,
- the quality and scope of government and private sector workforce readiness programs.

e states examined for this report paid seriou.. ..tention to these issues in prepar-

ing their action plans. Effective strategic planning requires constant and detailed attention to changing external factors in the labor force. Such factors include demographic trends, technological changes, the effects of foreign competition, changes in the economy, and politics.

Most states began the planning process by rethinking basic tenets of the workforce readiness system. The more sophisticated states engaged in a sort of zero-based planning analysis. They assessed needs, considered how well contemporary arrangements met those needs, and then specified adjustments in state programs and services to fulfill their employment policy goals. Strategic planning involves considerations of the structures, systems, and policies that will serve the state's human resource needs, how they differ from the status quo, and the steps necessary to move from here to there. In other words, states begin with the end goal and then select the actions necessary to get there.

Deliberations on the appropriate framework for strategic planning for labor market changes are occurring throughout the country. Resources targeted to employment issues at the state level are expanding. Increasingly, states and localities are experimenting with new services and service delivery systems. For example, Vermont has pioneered with on-site and near-site child care in the workplace; Hawaii has established transportation networks to solve problems in inter-island supply and demand mismatches; Idaho has expanded workplace literacy programs for adults; and, Massachusetts has mandated regional human resource "boards of directors."

New Ways of Delivering Services

The institutional changes required to both initiate and implement a strategic employment plan are formidable. The history of employment and training programs is replete with mostly unsuccessful attempts to consolidate and coordinate multiple programs with similar objectives. (Baumer and Van Horn, 1985.) As state policy makers began to understand the implications of a growing disequilibrium between supply and demand in the labor market, they began to examine the purposes, outcomes, and relationships between several compartmentalized programs.

Thus far, most states have built strategic planning reforms around existing structures -- such as the JTPA-mandated State Job Training Coordinating Council and local Private Industry Councils. A great deal of energy, time, and resources have already been invested in these entities. States have expanded JTPA council memberships and responsibilities. Few states have chosen the arduous task of reorganizing departments of state government and instead created interdepartmental coordinating groups, with strong control by the governor's staff or a lead department designated by the governor. This insures serious attention from the participants and gives the governor leverage to ensure compliance with his or her agenda.

Certain elements of JTPA fostered a focus on state level service integration through strategic planning. The Governor's Coordination and Special Services Plan provided an opportunity for

suggesting, if not imposing, new ways of doing business at the state and local levels. State policy makers could promote strong linkages between local service providers, provide financial incentives for performance and targeting of programs, and position Private Industry Councils to significantly shape local job service plans and activities.

State initiatives in education and welfare reform brought about genuine coordination of resources and services among a variety of state and local level human resource delivery systems. Policy making and program review authority have been lodged with the state job training coordinating council in several states. In Massachusetts, Regional Labor Market Boards set policy, allocate resources, and oversee service delivery for most education and employment and training programs.

Few states have undertaken comprehensive restructuring of workforce preparation programs, but specific cross-program coordination and planning is common. For example, forums on innovative programs in the Employment Service identified over 140 state and local initiatives. Eighty percent involved linking the Employment Service with other service providers. (Tracy, 1989.)

The success of state-level program coordination has encouraged federal legislative proposals for expanding the power of State Job Training Coordinating Councils. Currently, H.R. 7, H.R. 2803, and S. 543 call for the creation of state employment policy committees to oversee a wide range of human resource programs at the state and local government levels.

The degree of service coordination necessary for effective employment policy varies horizontally and vertically. The degree of vertical coordination -- from local, to state, to federal government, for example -- may consist primarily of sharing information and mutually defining objectives. Moreover, federal and state government must take care to avoid program requirements that make coordination at other levels of government impossible. Horizontal coordination, within program areas, may necessitate shared control.

Different strategic employment plans require different levels of coordination. Clearly, regular information sharing is essential even for the most modest employment plans. The more ambitious strategies that involve reworking the delivery system will require some form of shared control. For example, a coherent strategy can be achieved when a coordinating committee or staff to the governor reviews departmental and division budget priorities to make sure they are in line with the overall plan. Similarly, individual departmental initiatives may be reviewed and approved by a coordinating group responsible for implementing the state's strategic plan for employment. Detailed analysis of conflicting rules, eligibility requirements, and funding cycles must also be accomplished and conflicts resolved.

Fostering Local Cooperation. In addition to achieving cross-program coordination at the state level, strategic planning must also promote local participation and coordination with an overall state plan. The local level is the point of contact with citizens and employers and is thus the end product of all strategic plan-

ning. Federal and states must foster local planning and delivery through flexible approaches.

For some states, inter-governmental conflict will pose the largest barrier to achieving an effective strategic plan. States with very large and therefore highly autonomous jurisdictions may have difficulty achieving influence. Local-level resistance to change can be overcome in two ways. Obviously, large cities and counties should be encouraged to participate in the vision-setting process, as noted above.

States should also use program review and budgetary authority to encourage local cooperation in the implementation of an overall plan. Similar problems of state/local conflict and cooperation are confronted daily in the implementation of education and human services programs. States have a significant advantage in coordinating human resource programs, however, because they have the statutory authority to plan and assess most human resource programs. This power over the shape of local programs combined with the widespread consensus that employment programs are not adequately serving workers or employers can be used to bring about significant and lasting change.

Harnessing the Energy of the Private Sector. Consistent and strong leadership from private sector participants is essential to developing and implementing a strategic plan for employment. Government and business are beginning to understand that the common problems of the workplace cannot be solved in isolation. Business is emerging as an equal partner in policy making in many programs related to a workforce readiness system. The shape and degree of such policy making directly affects the success of strategic planning.

Initially, strategic planners are likely to find it relatively easy to get private employers involved in the process. Employers recognize the seriousness of the problem and are clamoring for practical solutions. What may be more difficult is keeping private employers engaged in the time-consuming, and frustrating, process of governmental reform.

Successful employment policy making groups function as boards of directors. (Ryan and Van Horn, 1984.) Under this model, private sector representatives serve as equal shareholders with elected officials and agency representatives. Private sector representatives often create the energy that leads to risk taking and innovation. Fostering this entrepreneurial spirit in the public sector is one of the major contributions made by private sector participants.

Effective boards formulate the vision and define and redefine the mission of the workforce readiness system. Successful board participation requires a clear consensus on the mission of the group and concrete, achievable goals. Accordingly, boards should set targets that can be measured and are technically and politically feasible.

Focusing on Performance

Strategic planning efforts need to establish quantifiable measures of change so that they can mark progress towards

realizing the employment policy vision of the state. At the broadest level, policy making groups should assess the extent to which the problems that led to the establishment of a strategic planning are being addressed effectively. Are labor markets functioning more efficiently? Are target groups receiving more appropriate shares of job opportunities? Are labor shortages being addressed in critical industries and regions of the state? Additionally, strategic planners should assess changes in institutional structures and procedures, as well as more common employment and training measures.

Having objective measures of progress is an important tool for motivating the bureaucracy. They are also important for private sector oversight committees. Measures of progress should consist of simple bottom-line questions so that policy makers can see whether their initiatives have made a difference. Like a profit and loss statement of a corporation and its divisions, evaluation reports of employment policies should provide a quick snapshot of overall system performance. Included in the list of useful measures are such items as achievement of skills and competitiveness, wage rates, retention in jobs, and employer/employee satisfaction.

Longer range evaluations of cross-program performance should also be conducted. Policy makers and practitioners need evidence to judge the long-term impact of the strategic plan. Oversight staff and committees should work on common definitions for performance measures across a broad range of programs and agree on simple and consistent methods for data collection.

THE INGREDIENTS OF SUCCESS

Achieving successful strategic planning will require long-term commitments from policy makers in the public and private sectors. Many significant roadblocks stand in the way of meaningful reform. The history of employment and training program development, and many other policy areas, suggests that far reaching change will not come easily or quickly.

Excitement over strategic planning runs high, despite the fresh memory of previous failed attempts at governmental reform. There is already an unorganized consensus in government and private organizations that human resource programs are not working effectively and that reform is essential. The key participants in employment policy are not divided over fundamental perceptions of the problem, as they are in many other policy domains. Creative leadership is needed to mobilize the consensus and put it to work on a common goal.

Progress has been made by government and the private sector in several states. Public and private sector leaders have articulated a vision for their state's employment policy. These visions are based on careful and open-minded assessments of labor market supply and demand and existing labor market interventions.

Decision-making structures have been created to carry the vision from concept to reality. Mechanisms have been put in place to insure the coordination of state human resource program planning and administration. Linkages between state

goals and local policy and practice have also been established.

Despite serious barriers, strategic planning for employment is underway. Implementing the strategic vision will require consistent leadership and monitoring of the bureaucracy. The degree of success will depend in large part on political support, business leadership, and the risk-taking capacities of agency administrators. The leaders of key state and local employment agencies and programs are especially important. If serious progress is made, it will be these public sector entrepreneurs who make it happen.

At this juncture, there is little hard evidence that strategic planning for employment has achieved all that its most ardent supporters anticipate. But this is not surprising. Strategic planning is a relatively new public policy phenomenon. It is a very ambitious idea, for if strategic planning works, a total overhaul of human resource planning and implementation will be accomplished. Strategic planning for employment should be encouraged by federal, state, and local policy makers and its progress should be carefully monitored in the years ahead.

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